

FILED

JUN 25 2014

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

EUGENE R. WEDOFF,
BANKRUPTCY JUDGE

In re:

CANOPY FINANCIAL, INC.,

Debtor.

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Case No. 09 B 44943

)
Chapter 7

**FINDINGS OF FACT AND CONCLUSIONS OF LAW IN SUPPORT OF ORDER GRANTING
APPLICATION OF JENNER & BLOCK LLP, SPECIAL COUNSEL TO THE TRUSTEE, FOR
ALLOWANCE OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES**

TOTAL FEES REQUESTED:	\$68,474.00	TOTAL COSTS REQUESTED:	\$602.43
TOTAL FEES REDUCED:	\$4,765.10	TOTAL COSTS REDUCED:	\$77.39
TOTAL FEES ALLOWED:	\$63,708.90	TOTAL COSTS ALLOWED:	\$525.04

TOTAL FEES AND COSTS ALLOWED: \$64,233.94

The attached time and expense entries have been underlined to reflect disallowance in whole or in part. The basis for each disallowance is reflected by numerical notations that appear on the left of each underlined entry. The numerical notations correspond to the enumerated paragraphs below.

(2) Unreasonable Time

The Court denies the allowance in part of compensation for the following task since the professional or paraprofessional expended an unreasonable amount of time on this task in light of the nature of the task, the experience and knowledge of the professional performing the task, and the amount of time previously expended by the professional or another on the task. *In re Pettibone*, 74 B.R. 293, 306 (Bankr. N.D. Ill. 1987) ("The Court will determine what is the reasonable amount of time an attorney should have to spend on a given project... An attorney should not be rewarded for inefficiency. Similarly, attorneys will not be fully compensated for spending an unreasonable number of hours on activities of little benefit to the estate."); *In re Wildman*, 72 B.R. 700, 713 (Bankr. N.D. Ill. 1987) (same).

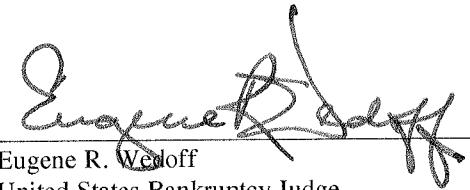
As to the time devoted to the preparation of the fee application itself, the Court denies the allowance of compensation that is disproportionate to the total hours in the main case. *In re Wildman*, 72 B.R. 700, 711 (Bankr. N.D. Ill. 1987) ("In the absence of unusual circumstances, the hours allowed by this Court for preparing and litigating the attorney fee application should not exceed three percent of the total hours in the main case."); *In re Spanjer Bros., Inc.*, 203 B.R. 85, 93 (Bankr. N.D. Ill. 1996) (compensation limited to 5%). See also *In re Pettibone Corp.*, 74 B.R. 293, 304 (Bankr. N.D. Ill. 1987) (citing *Coulter v. State of Tennessee*, 805 F.2d 146, 151 (6th Cir. 1986) (in non-bankruptcy cases, compensation for preparation and litigation of fee petitions limited to 3-5% of the hours of the main case)).

(11) Overhead Costs are Non-Compensable

The Court denies reimbursement for fees or expenses that are overhead costs. Expenses which are overhead are not compensable because they are built into the hourly rate. See *In re Wildman*, 72 B.R. 700, 731 (Bankr. N.D. Ill. 1987). Overhead, for bankruptcy purposes, includes "all continuous administrative or general costs or expenses incident to the operation of the firm which cannot be attributed to a particular client or cost." *In re*

Convent Guardian Corp., 103 B.R. 937, 939-40 (Bankr. N.D. Ill. 1989) (quoting *In re Thacker*, 48 B.R. 161, 164 (Bankr. N.D. Ill. 1985)).

Dated: June 25, 2014



Eugene R. Wedoff
United States Bankruptcy Judge

LAW OFFICES

JENNER & BLOCK LLP

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CHICAGO, ILLINOIS 60654-3456
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Page 12

FEE APPLICATIONS

MATTER NUMBER- 10113

10/7/2013	MHM	4.00	Worked on fee application.	1,240.00
10/8/2013	MHM	2.40	Worked on fee application exhibits.	744.00
10/8/2013	MHM	1.30	Worked on preparing cover sheet for professional fees.	403.00
10/9/2013	VEL	0.50	Edited BIM for fee application; skimmed draft application and office conference with M. Matlock re revised service list.	442.50
10/9/2013	MHM	2.70	Worked on finalizing draft of fee applications.	837.00
10/9/2013	MHM	1.10	Worked on preparing service list.	341.00
10/20/2013	VEL	0.50	Reviewed BIM and draft fee application.	442.50
10/21/2013	VEL	0.20	Office conference with M. Matlock re reduced service list, notices.	177.00
11/11/2013	MHM	0.30	Reviewed files and sent fee application materials to P. Davis.	93.00
11/15/2013	VEL	0.20	Telephone conference with P. Jacobs re fee application hearing.	177.00
11/18/2013	VEL	0.30	Reviewed continuance, telephone conference with P. Jacobs re same, covering continued hearing and facts underlying hearing.	265.50
11/26/2013	VEL	1.00	Attended fee application hearing.	885.00
4/22/2014	VEL	0.80	Worked on <u>9th</u> fee application; edited BIM.	720.00
4/23/2014	VEL	0.30	Worked on fee application. <u>9th</u>	720.00
		15.60	PROFESSIONAL SERVICES	\$7,037.50

MATTER 10113 TOTAL

\$7,037.50

Total charged for 8th fee app. = \$ 5,605.00

Total charged for non-fee app services in 8th app. = \$ 16,798.00

\$16,798 x .05 = \$ 839.90 (max allowable on fee app.)

\$5,605 - \$839.90 = \$ 4,765.1 (total deduction)

$\frac{\$5,605}{\$16,798} = 33.37\%$ (2)

DISBURSEMENT SUMMARY
(October 1, 2013 through April 30, 2014)

Description	Amount
Automation Equipment Charges (Secure Flash Drive)	38.00
In-City Transportation	8.00
Pacer Charges	73.70
Photocopy Expense and Related Expenses	118.20
Postage Expense	258.58
Special Messenger Service	28.56
Westlaw Research	77.39
TOTAL	602.43

(1)
\$ 77.39

-\$ 77.39 from
expenses